

Benjamin C. Tiller
Office of the Montana State Auditor,
Commissioner of Securities and Insurance (CSI)
840 Helena Avenue
Helena, MT 59601
(406) 444-2040

Attorney for the CSI

**BEFORE THE COMMISSIONER OF SECURITIES AND INSURANCE
MONTANA STATE AUDITOR**

IN THE MATTER OF:)	Case No.: INS-2016-144
)	
Ronald J. Watts, an individual,)	CONSENT AGREEMENT AND
)	FINAL ORDER
)	
Respondent.)	
)	

This Consent Agreement (Agreement) and Final Order (Order) are entered into by the Office of the Montana State Auditor, Commissioner of Securities and Insurance (CSI), acting pursuant to the authority of the Montana Insurance Code, Mont. Code Ann. § 33-1-101 et seq. (Code), and Ronald J. Watts, (Respondent).

RECITALS

WHEREAS, Respondent has an individual insurance producer license, #12399 and is doing business as Watts Insurance Agency, Inc.;

WHEREAS, Respondent was approached by consumer, M S., who showed Respondent a divorce decree indicating that M.S. had been awarded the marital home through a divorce decree;

WHEREAS, M.S. wished to insure the property under her name;

WHEREAS, Respondent had previously sold coverage for the property to M.S.'s husband, C.S., which was still in place at the time M.S. presented Respondent with the divorce decree;

WHEREAS, Respondent forged a cancellation request on behalf of C.S. and effectuated a cancellation of his homeowners policy;

WHEREAS, C.S. did not request, authorize, or desire the cancellation;

WHEREAS, the unauthorized cancellation caused the affected real property to be uninsured between April 4, 2016, and April 15, 2016;

WHEREAS, C.S. noticed that his insurance had been cancelled, and informed the insurer that he did not authorize the cancellation;

WHEREAS, Respondent acknowledged the wrongful cancellation, and contacted the insurer to have the policy reinstated back to the date of cancellation;

WHEREAS, Respondent violated § 33-1-1202(7) by submitting a counterfeit insurance document to an insurer; and

WHEREAS, the CSI and Respondent agree that the best interests of the parties and the public would be served by entering into this Agreement;

NOW, THEREFORE, in consideration of the mutual undertakings contained in this Agreement, the CSI and Respondent hereby agree to settle this matter pursuant to the following terms and conditions:

STIPULATIONS AND CONSENTS

1. Respondent stipulates and agrees to the following:
 - A. Respondent admits the allegations contained in the Recitals;

B. Within fifteen (15) business days from the execution of this Agreement, Respondent shall pay an administrative penalty to the State of Montana in the amount of five thousand dollars (\$5,000). The fine must be made payable to the State of Montana and sent to:

Office of the Montana State Auditor
c/o Darla Sautter
840 Helena Avenue
Helena, MT 59601

C. With respect to the Recitals, Respondent specifically and affirmatively waives a contested case hearing and his right to appeal under the Montana Administrative Procedure Act (MAPA), including Title 2, chapter 4, part 7, and elects to resolve this matter on the terms and conditions set forth herein.

D. Respondent fully and forever releases and discharges the CSI from any and all actions, claims, causes of action, demands, or expenses for damages or injuries, whether asserted or not asserted, known or unknown, foreseen or unforeseen, arising out of or related to the Recitals or this Agreement.

2. Both parties to this Agreement stipulate and agree as follows.

A. The CSI has jurisdiction over the subject matter of this Agreement:

B. This Agreement resolves the alleged violations set forth in the Recitals;

C. The CSI warrants and represents that so long as Respondent complies with the terms of this Agreement, the CSI will not bring any further action against Respondent arising from facts known to the CSI as of the date of the Agreement relating to the Recitals.

D. This Agreement is entered without adjudication of any issue, law, or fact. It is entered solely for the purpose of resolving the CSI's investigation and allegations, and is not intended to be used for any other purpose.

E. The applicable statute of limitations is tolled for two years from the date of execution of this Agreement with regard to the allegations set forth above. In the event Respondent violates the terms of this Agreement at any time before the applicable statute of limitations has run, the CSI reserves the right to seek any additional administrative penalties or further regulatory action.

F. This Agreement constitutes the entire agreement between the parties and no other promises or agreements, either express or implied, have been made by the CSI or by any member, officer, agent, or representative of the CSI to induce Respondent to enter into this Agreement.

G. This Agreement may not be modified orally, and any subsequent modifications to this Agreement must be mutually agreed upon in writing to be effective.

H. This Agreement shall be incorporated into and made part of the attached Final Order issued by the Commissioner of Securities and Insurance, Office of the Montana State Auditor (Commissioner), herein.

I. The Order will be an order of the Commissioner and is effective upon signing. The CSI has jurisdiction over the enforcement of the Order, and failure to comply with it may constitute separate violations of the Act, as provided in Mont. Code Ann. § 33-1-318, and may result in subsequent legal action by the CSI.

J. This Agreement shall be effective upon signing of the Order.

K. This Agreement and Order are public records under Montana law and as such may not be sealed or otherwise withheld from the public.

DATED this 19th day of AUGUST, 2016.

**OFFICE OF THE MONTANA STATE
AUDITOR, COMMISSIONER OF
SECURITIES AND INSURANCE**

By: 

BENJAMIN C. TILLER
Attorney for the CSI

DATED this 15 day of AUG, 2016.

RONALD J. WATTS


Signature

RONALD J. WATTS
Printed Name

PRODUCER
Title


FINAL ORDER

Pursuant to the authority vested by Mont. Code Ann. § 2-4-603 and § 33-1-101 et seq., and upon review of the foregoing Consent Agreement and good cause appearing,

IT IS HEREBY ORDERED that the foregoing Consent Agreement between the Office of the Commissioner of Securities and Insurance, Montana State Auditor, and Respondent, Ronald J. Watts, is adopted as set forth fully herein.

DATED this 19 day of August, 2016.

MONICA J. LINDEEN
Commissioner of Securities and Insurance,
Montana State Auditor

By: 
ANDREW POSEWITZ
Deputy State Auditor

cc: Benjamin C. Tiller